

BABY GEORGE REVISITED

Prince George, or George Alexander Louis Cambridge, was born 22 July 2013.

The Centre for Retail Research had estimated previously that the birth of the new royal baby would provide a fillip to retailers (and the country) worth £243 mn.

This note revisits those figures to assess their accuracy. Reality is always a traitor to those who forecast events and the reworked figures are provided below. At the time we did not know the sex of the baby or even in what month it would be born. However there was certainly considerable interest in the birth shown by the British and world media (certainly too much of this) and there were crowds of people outside the hospital.

For good or ill, Prince William and Katherine were seen as celebrities in their own right, but celebrities that did not carry the unfortunate baggage of some royal persons or the dark side of many celebrities.

The royal birth was not of world-shattering importance but few, if any, wished the royal baby or its parents ill or failed to appreciate its human interest. It also benefitted from being presented as a private event rather than a matter of great national celebration.

The Revised Figures for Retail Effects of Prince George

The revised figures relate to nine weeks after 1 July 2013.

Revised Figures

Festivities	£80 million
	- £22 mn food
	- £58 mn alcohol
Souvenirs and toys	£78 million
Books, DVDs and Media	£89 million
Total	£247 million

Our original estimate was £243 mn. In retrospect we reduced the revenue from 'festivities' down from the original £87 mn to £80 mn and souvenirs and toys down from £80 mn to £78 mn. Books, the estimates of DVDs and other media increased from £76 mn to £89 mn.

Festivity spending was down primarily because the weather at weekends was variable. The birth of Prince George seems to have generated an interest in the concept of royalty with sales of books and DVDs about the royal family increasing.

As before, the sales totals include overseas earnings from UK retailers selling to persons abroad mainly through their websites.

We asked samples of both consumers and retailers about whether retail spending in mid- to late-summer was at all affected by the royal baby. There was a small but discernible impact (see below) equivalent to around £247 mn of additional spending. It is very difficult to be accurate because we are dealing with comparatively small financial quantities. We interviewed 1,200 consumers in November 2013 as part of our normal consumer trends work carried out for retailers and 30 large retailers, both food and non-food, whose business represented 22.7% of the UK national retail trade.

We promised this revision for January 2014 and apologise that pressure of work has delayed it.

How Significant Was All This?

The Centre for Retail Research is interested in analysing consumer trends and the royal baby was one such trend. There was a feeling amongst consumers that we interviewed that the media were running the royal baby story too frequently. As there was nothing much happening, the daily commentaries seemed pretty pointless.

We certainly did not suggest that consumers in the UK and overseas purchasing merchandise related to the new royal baby and celebrations would transform the economy, but thought it would be helpful in generating some new spending. The longer term impact of an increment of £243 mn of spending on an industry of £314,000 mn is difficult to compute. It is useful but not overwhelming.

In computing the effects of the royal baby it is not simply enough to revisit the retail effect of the birth of Prince William or even Prince Charles (I think I got a mug then). It is a different world now and whilst it is interesting to revisit figures from 30 years or 60 years ago they are not necessarily very relevant.

Several good-news stories. The royal baby has to be positioned in the two-year period 2011-13 that provided positive stories about the royal wedding, the Olympics, the Queen's Jubilee and the baby. It may have helped create a greater sense of wellbeing and occurred when the UK economy was showing signs of long-run recovery for the first time in five years. In that situation the royal baby may have helped improve confidence which was already being repaired rather than creating it.

Katherine as Exemplar. There is some evidence that Katherine acts as a role model for many particularly in her dress. To give two examples. The supplier of the dress she wore when she met the Obamas 'suffered' so much interest in the product from shoppers that its website collapsed from sheer weight of numbers the same evening. Similarly the aden+anais bird-decorated muslin wrap that baby George was wrapped in by his parents upon leaving the Lindo Wing sold out in two days and the small, family-run Nottingham-based firm behind his white Merino wool christening shawl was also inundated with orders. Obviously this role

does not command universal approval and Mary Beard, for example, has argued that to be an attractive role model is a sort of trap. She may be right.

Births. We suggested that it was possible that the number of births might rise in 2013 as parents emulated the royal couple. We did not feel that this would lead to a permanent rise in the population, rather that children already under consideration by couples might be brought forward. Data on births for 2013 has not yet been published. We understand from anecdotal evidence from registrars and hospitals that there has been a further increase in births in 2013 compared to the previous year, but what percentage (if any) of these was owing to the royal baby cannot be established until we have a run of data covering say 2010 to 2015-16 to allow econometric analysis to be carried out.

Effect on Tourism

It may come as a shock to sensitive readers of this website, but not everyone loves the British. Foreigners need a reason to visit these shores and spend money in hotels and shops. The birth of the royal baby should be seen as one of a series of successful events like the jubilee and the Olympics that show the country in the way it wishes to be known as traditional yet modern and this has certainly helped tourism, even though they do not actually get to have tea with the Queen.

Our revised figures showing a small but significant boost to retail spending in the relevant period are much the same as the original estimates in May-June 2013. Indeed the economy has continued to improve and consumer confidence has risen even though people's living standards are little different from what they were at the beginning of 2013.

Having revisited the figures and compared them with what actually happened, we do not dissent from our original findings. If we had known, however, when calculating our original figures, how much interest there would be in our findings (there were 70 TV interviews that we did for example and we had five or ten journalists ringing every day) we would have published a full printed report on the economic implications of the royal baby. Now, there's an idea for the future.

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